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SUBJECT: Under SECRETARY BURNS DISCUSSES IRAQ, KOSOVO, GEORGIA AND NORDIC SECURITY WITH SWEDISH FM BILDT

(U) CLASSIFIED BY EUR ACTING ASSISTANT SECRETARY KURT VOLKER FOR REASONS 1.4 (B) AND (D).

REF: STATE 60125

11. (U) PARTICIPANTS:

U.S.

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SWEDEN

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INGRID ASK, FIRST SECRETARY, SWEDISH EMBASSY

12. (C) Summary: Under Secretary Burns thanked Swedish FM Bildt for Sweden's hosting of the International Compact with Iraq conference, during their June 4 meeting in the Department. Bildt told Burns that Sweden and the EU were prepared to help clean up the "mess" in Kosovo, but wanted to see a prolonged UN presence, especially in the north, where the EU was not able to deploy. On Georgia, U/S Burns said the U.S. was urging Tbilisi to show restraint, but he and Bildt agreed that Russia was playing a "very dangerous game" in Abkhazia. Bildt said that the Swedes were trying to quietly bring the Georgians and Abkhaz together, and suggested that the 2014 Sochi Olympics and economic measures might prove effective ways to pressure Russia and the Abkhaz to resume progress toward a conflict settlement. Bildt also said that Sweden was supporting closer security cooperation and integration with likeminded Nordic neighbors that would have a significant long-term impact. End Summary.

Iraq

13. (C) Under Secretary Burns initiated the June 4 meeting by thanking FM Bildt and Sweden for hosting the May 29 International Compact with Iraq (ICI) Annual Review Conference. Bildt said that the conference had been a "small, but successful step" toward increasing European engagement in Iraq, but added that more needed to be done. Bildt said that he had spoken at length with the Secretary about Iraq in Stockholm (reftel) and hoped to follow-up with her soon about next steps.

14. (C) Bildt said that Sweden wanted to see ongoing roles for both the EU and UN in order to straighten out the "mess" in Kosovo - progress was slow and difficult. U/S Burns noted that Russia was not making the situation easy for UN Secretary General Ban Ki-moon. Bildt added that the EU favored an extended UN role in Kosovo. It was necessary, he said, not only to handle tasks which the Kosovo Government was not yet able to handle (for example, issuance of travel documents or international representation), but especially needed in the north where the eventual EU-led mission (EULEX) can't yet go in, but a prolonged UN presence would help prevent losing the northern border. Bildt noted that the Kosovars needed to cease focusing on "lofty political thoughts" and get down to the more boring but necessary details of daily governance, such as taxes, transportation, and other bureaucratic but important matters. U/S Burns and EUR PDAS Volker noted that we need the UN to transition, and the EU to build up, recognizing that progress on the ground in Kosovo would take time and required continued, strong international support.

Russia/Georgia

- $\underline{\mathbf{1}}$ 5. (C) U/S Burns and Bildt agreed that Russia continued to employ strong pressure tactics in Georgia. Burns said he did not believe Russia wanted Abkhazia to obtain independence; this would open a "can of worms" because of the implications for other ethnic enclaves and conflicts in the Caucasus, including inside Russia. However, Russia was playing a dangerous game by walking as close to possible up to the line, without crossing it. Burns said the U.S. was encouraging direct talks between the Georgians and the Abkhaz. Bildt noted that, given current tensions, it was a wonder that there had not been more border skirmishes and deaths, adding that the situation could worsen at any moment. He said that the EU and Washington had to find more effective ways to deal with Russia in response, instead of "feeble" declarations that were of little comfort to Georgian President Saakashvili, whose frustration at Russia trying to "take parts of my country," (as Bildt said he had been told) was understandable. Burns noted that Saakashvili had spoken with Russian President Medvedev by phone recently and that the two would meet face-to-face on June 6 at the Economic Forum in St. Petersburg.
- 16. (C) Bildt related that Sweden had been trying to quietly arrange talks between Tbilisi and Abkhazia in Stockholm, but was wary of leaks or media attention, as discreet, cautious steps were needed for dealing with the complex issues of the conflict not a "media show" such as the German-hosted talks that the Russians, among others, favored. Burns replied that the U.S. appreciated Swedish efforts to support the peace process. Volker later followed up with Bildt noting that we believe that German-hosted talks also have promise, provided they serve as a vehicle to allow the Abkhaz and Georgians to speak with each other directly.
- 17. (C) Bildt suggested that the West play the "Sochi Olympics card" with Moscow by pointing out that enormous investment was needed to get the existing facilities up to snuff and implying that successful hosting of the games might be "endangered" by the fact they would be held only a few kilometers from an unresolved and potentially hot conflict. Burns agreed that the Russians would be sensitive to such arguments, and that Bildt's suggested wording would likely prove more effective than boycott threats. Bildt added that another way to get Russian and Abkhaz attention would be to apply pressure to entities

financially benefiting from business dealings with unrecognized, unregistered entities based in Abkhazia. Burns agreed that it was a suggestion worth exploring.

18. (C) Bildt and Burns agreed that it was still too early to read the internal political impact of the new Medvedev presidency on Russia. Bildt said that the EU would finally begin Partnership and Cooperation Agreement (PCA) discussions with Russia in June, but added that the discussions would take time.

Closer Nordic Security Cooperation

19. (C) Bildt described Swedish interest in building on growing international interest in the High North to strengthen Nordic cooperation on a number of issues, including security, energy, climate change and the impact of increased commercial traffic. He said that initial efforts to coordinate the trilateral security interests of Norway, Sweden and Finland were expanding to include Denmark and Iceland. He told Burns that the Swedes were exploring security integration with their neighbors starting with surveillance efforts - that he hoped would gradually have "great significance" down the road. Bildt said the Swedish Government would soon present draft legislation to Parliament that would establish the cornerstone for his "new doctrine." As an aside, he noted the importance of expediting U.S. ratification of the Law of the Sea Convention. The Under Secretary agreed, but lamented that the process appears to be "stuck." Bildt suggested that, in the absence of ratification, the U.S. was missing a "seat at the table" while other countries - including Russia - were shoring up their basic legal positions in the High North.

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